

Message Text

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ACTION ARA-15

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03
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TO SECSTATE WASHDC PRIORITY 1824

C O N F I E N T I A L LIMA 8110

E.O. 11652: GDS
TAGS: EFIN, PE
SUBJECT: DEBT RESCHEDULING

1. ECONOMY AND FINANCE MINISTER SILVA RUETE MADE THE FOLLOW-
ING POINTS IN RESPONSE TO MY QUESTIONS ON THIS SUBJECT AT
LUNCH SEPTEMBER 11.

(A) RESCHEDULING WILL BE ACROSS THE BOARD WITH NO
SELECTIVITY AND ALL PRINCIPAL PAYMENTS DUE IN 1979 AND 80 ON
OFFICIAL DEBT INCLUDED (I.E., AS HIS LETTER OF AUGUST 23
STATED, MATURITIES ON LOANS FROM "OFFICIAL AGENCIES, GOVERN-
MENTS AND SUPPLIER CREDITS WITH EXPORT GUARANTEES").

(B) THE GOP WILL ASK FOR EITHER 90 PERCENT OF 100
PERCENT RESCHEDULING OF THOSE PAYMENTS.

(C) THE REQUEST WILL PROBABLY BE FOR THREE YEARS OF
GRACE, REPAYMENT ON THE RESCHEDULED MATURITIES TO COMMENCE
IN 1982 AND TO EXTEND OVER FOUR YEARS.

(D) PAYMENTS DUE THE JAPANESE FOR THE PIPELINE WILL
BE INCLUDED.

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(E) THE GOP WILL ASK THE PRIVATE BANKS TO RE-
SCHEDULE A SOMEWHAT LOWER PERCENTAGE OF THE PAYMENTS DUE
IN THAT SECTOR, PERHAPS AS LITTLE AS 60 PERCENT. THE
PURPOSE IS TO SAVE ON INTEREST CHARGES.

2. SILVA RUETE WAS QUITE FIRM WITH RESPECT TO EXIM'S
PARTICIPATION IN THE CUAJONE PROJECT. THE GOP DOES NOT

CONTEMPLATE RESCHEDULING PRIVATE-SECTOR DEBT -- AND
SOUTHERN PERU IS PART OF THE PRIVATE SECTOR.

3. HE WAS VAGUE ON THE QUESTION OF INTEREST RATES, FOR
THE RESCHEDULING, BUT BUDGET DIRECTOR FERNANDO REUS TELLS
US THAT THE GOP ANTICIPATES A CONSOLIDATED RATE FOR EACH
COUNTRY BASED ON THE CURRENT RATES CHARGED BY THE
VARIOUS SOURCES OF FINANCING INVOLVED.

4. THE MINISTER SAID HE WOULD GIVE ME THE GOP'S FINAL
DECISIONS AND DETAILS OF ITS REQUESTS BEFORE HE LEAVES
FOR WASHINGTON AT THE END OF NEXT WEEK.

5. COMMENT: I WOULD APPRECIATE BEING INFORMED IF THERE
ARE PROBLEMS FORESEEN IN OUR MEETING THE PERUVIAN REQUESTS
OR IF THERE ARE PARTICULAR DETAILS THAT REQUIRE CLARIFI-
CATION.
SHLAUDEMAM

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Message Attributes

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Concepts: DEBT REPAYMENTS, GOVERNMENT DEBTS
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Draft Date: 12 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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TAGS: EFIN, PE
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vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/87dc5b52-c288-dd11-92da-001cc4696bcc
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